

Memorandum

TAB 78

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 15, 2011

Reference No.: 2.5e.(3)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming



Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PROJECT PREVIOUSLY VOTED
RESOLUTION FA-11-03**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$960,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to award the construction contract.

RESOLUTION:

Resolved, that \$960,000 be allocated from the Budget Act of 2011, Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Allocated Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	09-Mno-120	\$3,821,000	\$3,821,000	\$960,000	\$4,781,000	25.1%

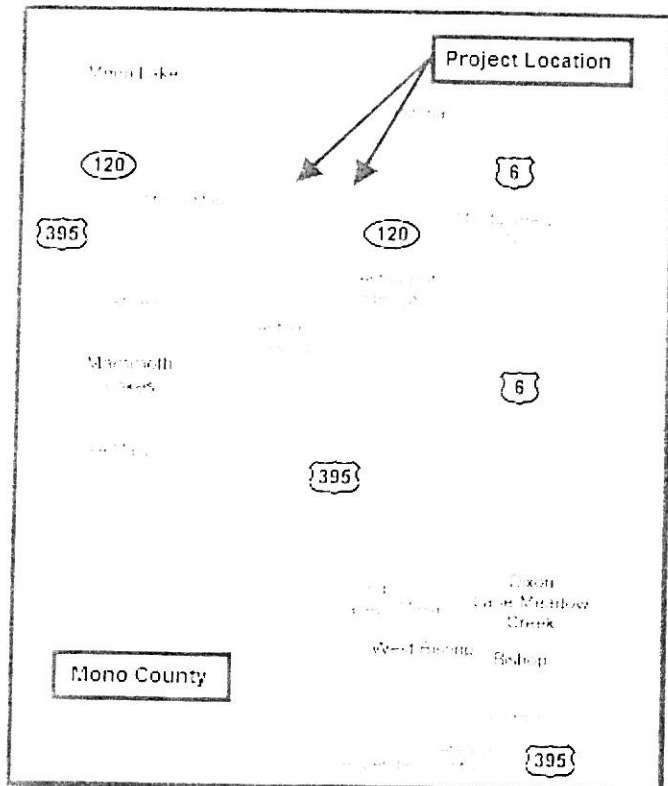
CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

Reference No: 2.5e.(4)
September 15, 2011
Page 2 of 4

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Budget Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(3) Supplemental Funds for Previously Voted Projects			Resolution FA-11-03		
\$960,000 Department of Transportation Mono 09-Mno-120 35.0/43.0	Near Benton, from 4.8 miles west of Dobie Meadows Road to 0.8 mile east of River Spring Road. Outcome/Output: Rehabilitate 16 lane miles of roadway with in-place recycle hot mix asphalt concrete (HMA) to improve ride quality. Supplemental funds needed to award construction contract. Total Revised Amount: \$4,781,000	09-0591 SHOPP 2009-10 302-0042 SHA 302-0890 FTF 20.20.201.120 0900000130 4 341304 SHOPP 2011-12 302-0042 SHA 302-0890 FTF 20.20.201.120	\$76,000 \$3,745,000		\$76,000 \$3,745,000
				\$19,000 \$941,000	\$19,000 \$941,000

RECOMMENDATION:

The Department recommends that this request for \$960,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:

This project is located on Route 120 in Mono County near Benton from 4.8 miles west of Dobie Meadows Road to 0.9 mile east of River Springs Road. This project is necessary to prevent further deterioration of the roadway surface, minimize frequent roadway repairs, improve ride quality and extend pavement surface life. The repairs include full depth recycling of existing pavement including shoulders using the cold foam in-place recycle (CFIPR) method, flattening shoulder slopes and adding chain-up area, and placing a hot mix asphalt (HMA) overlay.

FUNDING STATUS:

The project is programmed in the 2010 State Highway Operations Protection Program (SHOPP) for \$3,560,000 and was voted for \$3,821,000 on May 12, 2011. Bids for this project were opened on July 13, 2011. There were three bids. The lowest bid was 27.3 percent over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, is \$4,781,000. This request for \$960,000 in supplemental funds results in an overall increase of 25.1 percent over the original vote amount. This project will be awarded upon approval of this supplemental funds request.

REASONS FOR COST INCREASE:

Due to volatility in oil prices, the cost of asphalt concrete and fuel has risen since the last opportunity to adjust the Engineer's Estimate done in January 2011. The cost of hot mix asphalt concrete (HMA) was estimated at \$82 per ton. Prices at the time of contract bid opening ranged from \$110 to \$120 per ton. The low bid unit price for this project's HMA was \$110 per ton. The unit cost of CFIPR on similar project bids in the region in January 2011 was \$3.00 per square yard. The low bid unit price for this project's CFIPR item was \$6.00 per square yard. Additionally, Traffic Control lump-sum items were also underestimated.

BID ITEM	ENGINEER'S ESTIMATE	LOW BID	INCREASE
Hot Mix AC	\$ 1,344,800	\$ 1,804,000	\$ 459,200
Traffic Control	60,000	360,000	300,000
Cold Foam In-Place Recycling (CFIPR)	536,800	732,000	195,200
Asphaltic Emulsion	60,000	78,000	18,000
Miscellaneous adjustments			(12,400)
TOTAL INCREASE			\$ 960,000

FUNDING OPTIONS:

- OPTION A:** Approve this request for supplemental funds, as presented above, for \$960,000 to allow this project to be awarded.
- OPTION B:** Deny this request and direct the Department to reject all bids, retain current scope of the project, and re-advertise. The Department has considered this option and determined that there is no guarantee of having adequate number of bidders or lower price bids in the future, and this option would further delay this pavement rehabilitation project.
- OPTION C:** Deny this request and direct the Department to revise the project to remain within the allocated amount and re-advertise the project. The Department has considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later would result in greater cost and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request for \$960,000, as presented in Option A, above, be approved to allow the award of this contract.